

ENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

March 19, 2010

The Honorable Andy Dillon
Speaker of the House
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909

The Honorable Mike Bishop
Majority Leader
Michigan Senate
S-106 Capitol Bulding
Lansing, MI 48909-7536

Dear Speaker Dillon and Majority Leader Bishop:

I write to advise you that I have reached agreement with the Little River Band of Ottawa Indians on two separate but closely related amendments to that Tribe's existing gaming compact with the State of Michigan. Because one of these amendments would change the definition of "Eligible Indian Lands" under section 2(B)(1) of the existing gaming compact, it will require approval by resolution of both houses of the Legislature. For the reasons set forth below, I believe that legislative approval of this change would serve the best interests of the state and of the public and I urge you to adopt the necessary resolutions.

The Little River Band currently operates a casino in Manistee, Michigan pursuant to a compact signed by former Governor Engler on December 3, 1998 and approved by House Concurrent Resolution 115 on December 10 and 11, 1998. Section 16 of the compact contained an amendment provision specifying that the compact may be amended by mutual agreement between the tribe and the Governor, acting on behalf of the state, subject to the following restriction: "Neither the tribe nor the state may amend the definition of "eligible Indian lands" to include counties other than those set forth in Section 2(B)(1) of this Compact." Accordingly, any amendment of the compact that would authorize the tribe to conduct gaming in a county other than Manistee or Mason Counties, the two counties specified in section 2(B)(1), would require approval of the Legislature by resolution in the same manner as a new compact.

In *Taxpayers of Michigan Against Casinos (TOMAC) v State*, 478 Mich 99; 732 NW2d 487 (2007), the Michigan Supreme Court upheld the constitutionality of the amendment process prescribed by section 16 of the compact. In January of 2008, that process was utilized to amend the Little River Compact as part of a settlement agreement that served to restore the tribe's revenue sharing payments to the Michigan Strategic Fund. Pursuant to this amendment, the tribe is currently making annual payments to the MSF equal to approximately 6% of their net win at the Manistee casino, subject to a commitment by the state of limited gaming exclusivity in the casino's nine-county competitive market area.

The Tribe has now acquired a parcel of land previously occupied by the Great Lakes Downs Racetrack in Fruitport Township, just outside of Muskegon, Michigan and is interested in developing that property as a second tribal casino. In order to achieve that objective, the tribe must overcome a number of significant legal hurdles including obtaining an amendment of its gaming compact. Pursuant to the provisions of the federal Indian Gaming Regulatory Act, the tribe requested good faith negotiations and, consistent with the requirements of that act, I have complied. After lengthy negotiations, we have reached an agreement on amendments to the tribe's gaming compact that would:

1. Amend the definition of "Eligible Indian Lands" in section 2(B)(1) to authorize the tribe to operate a gaming facility in Muskegon County in addition to its existing facility in Manistee County.
2. Amend section 9 to provide for the termination of the tribe's right to conduct gaming if it attempts to conduct gaming at more than two facilities or on lands not eligible for gaming under section 2(B)(1).
3. Amend section 16 to permit the tribe to immediately initiate the lengthy trust application process for the Muskegon parcel without forfeiting its right to operate its existing Manistee facility. (The compact will still prohibit the opening of the second site unless and until the Legislature concurs in the amended definition of eligible lands described above and preserves the existing requirement that changes to this definition must be approved by the Legislature.)
4. Amend section 17 to provide for revenue sharing to the state in the event that the new facility in Muskegon County becomes operational. These revenue sharing provisions are markedly more advantageous to the state than those found in prior compacts. First, these new payments would be based on a sliding scale of 8% to 12%, comparable to those found in the Gun Lake compact recently approved by the Legislature and significantly higher than rates being paid under other current compacts. Second, unlike the Gun Lake

compact and nearly all other existing compacts, these new payments are not contingent upon a commitment by the state to preserve gaming exclusivity for the Muskegon facility. And, finally, the new revenue sharing payments for the Muskegon County facility would be payable to the Michigan School Aid Fund. Revenue sharing payments for the existing Manistee facility would be unaffected by these new provisions for the Muskegon County facility.

5. Amend section 18, governing local revenue sharing, to define critical terminology, improve the distribution of local revenue sharing, and to provide for the creation of an additional revenue sharing board in Muskegon County in the event that a facility is opened there.

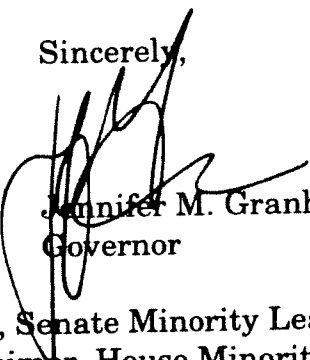
In addition to these changes, a new section 4(O) is added requiring the tribe to provide reports of customers' winnings to the State to the same extent it is required by federal law to provide such reports to the federal government.

These proposed changes are embodied in two separate documents, both of which are attached. The document entitled "Third Amendment to a Compact between the Little River Band of Ottawa Indians and the State of Michigan Providing for the Conduct of Tribal Class III Gaming by the Little River Band of Ottawa Indians" contains the proposed amendment to the definition of "Eligible Indian Lands" in section 2(B)(1) of the compact. Pursuant to section 16 of the existing compact, this change can be made only with the concurrence of the Legislature. I urge your prompt consideration and enactment of the necessary resolutions providing that concurrence.

The remaining amendments do not require Legislative action. They are contained in a separate document entitled "Second Amendment to a Compact between the Little River Band of Ottawa Indians and the State of Michigan Providing for the Conduct of Tribal Class III Gaming by the Little River Band of Ottawa Indians." While that document will become effective upon review and approval by the U.S. Secretary of the Interior, most of its provisions necessarily depend upon the Legislature's approval of the amended definition of "Eligible Indian lands." In short, neither the state nor the local units of government in Muskegon County will realize the benefit of the additional revenue sharing and the attendant economic development represented by this project unless the Legislature adopts the necessary resolutions concurring in the Third Amendment.

For all of these reasons, I believe that legislative approval of the enclosed "Third Amendment" to the Little River Band Compact is in the best interests of the state and of the public and I urge both houses of the Legislature to adopt a resolution expressing their concurrence in these changes.

Sincerely,



Jennifer M. Granholm
Governor

- c: **The Honorable Michael Prusi, Senate Minority Leader**
 The Honorable Kevin Elsenheimer, House Minority Leader
 The Honorable Doug Bennett, State Representative – 92nd District
 The Honorable Mary Valentine, State Representative – 91st District
 The Honorable Dan Scripps, State Representative – 101st District
 The Honorable Michelle McManus, State Senator – 35th District
 The Honorable Gerald VanWoerkom, State Senator – 34th District
 The Honorable Wayne Kuipers, State Senator – 30th District

Rep. Bennett offered the following concurrent resolution:

House Concurrent Resolution No. 54.

A concurrent resolution to approve the Third Amendment to the compact between the Little River Band of Ottawa Indians and the State of Michigan providing for the conduct of Class III gaming by the Little River Band of Ottawa Indians.

Whereas, The United States Congress enacted the Indian Gaming Regulatory Act of 1988 (IGRA) to provide a statutory framework for the establishment of tribal Class III gaming through negotiations between a state and a federally recognized Indian tribe; and

Whereas, The Little River Band of Ottawa Indians, a federally recognized Indian tribe, and the State of Michigan entered into a gaming compact allowing a single tribal Class III gaming facility. The compact was signed on December 3, 1998, and concurred in by the Michigan Legislature with the adoption of House Concurrent Resolution No. 115 in December 1998. This compact was amended in January 2008 by the Governor and Little River Band of Ottawa Indians; and

Whereas, The Little River Band of Ottawa Indians' current compact prohibits the sale of alcohol and tobacco to minors at the Little River Band of Ottawa Indians' current and proposed gaming facility; and

Whereas, The Little River Band of Ottawa Indians' compact provides that persons under 21 years of age may not participate in gaming at the Little River Band of Ottawa Indians' current and proposed gaming facility; and

Whereas, The Little River Band of Ottawa Indians' compact amendments provide additional safeguards for revenue payments to the state of Michigan when compared to the prior approved gaming compacts; and

Whereas, The Little River Band of Ottawa Indians' compact amendments also contain terms and conditions more beneficial to the state similar to the Gun Lake Band's compact; and

Whereas, The Little River Band of Ottawa Indians' compact amendments also contain terms and conditions for the proposed Muskegon tribal casino revenue sharing that reserve revenue for the Michigan State School Aid Fund; and

Whereas, In March 2010, the Governor and Little River Band of Ottawa Indians negotiated and signed two additional amendments to the 1998 compact. The Third Amendment, signed by the Governor on March 19, 2010, amends the compact definition of "Eligible Indian Lands" in order to allow a second tribal Class III gaming facility in Muskegon County. To take effect, the Third Amendment requires, among other conditions, approval by resolution by both houses of the Michigan Legislature; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we approve the Third Amendment to the compact between the Little River Band of Ottawa Indians and the State of Michigan providing for the conduct of Class III gaming by the Little River Band of Ottawa Indians; and be it further

Resolved, That copies of this resolution be transmitted to the Governor, representatives of the Little River Band of Ottawa Indians, and the United States Secretary of the Interior.

**SECOND AMENDMENT TO
A COMPACT BETWEEN
THE LITTLE RIVER BAND OF OTTAWA INDIANS AND
THE STATE OF MICHIGAN
PROVIDING FOR THE CONDUCT OF TRIBAL CLASS III GAMING
BY THE LITTLE RIVER BAND OF OTTAWA INDIANS**

The Compact made and entered on the 3d day of December, 1998 by and between the LITTLE RIVER BAND OF OTTAWA INDIANS (hereinafter referred to as "Tribe") and the STATE OF MICHIGAN (hereinafter referred to as "State") approved by the Secretary of the Interior by publication in the Federal Register on February 18, 1999 at 64 Fed. Reg. 8111, and subsequently altered by an amendment approved by the Secretary of the Interior by publication in the Federal Register on April 21, 2008 at 73 Fed. Reg. 21362, is hereby further amended in accordance with Section 16 of the Compact. All provisions of the Compact not explicitly added or amended herein shall remain in full force and effect.

Section 4(O) is added and inserted to read as follows:

(O) The Tribe shall send reports of customers' winnings to the State to the same extent federal law requires the Tribe to send such reports to the federal government.

Section 9 is amended to read as follows:

Section 9. Gaming Outside of Eligible Indian Lands:

The Tribe's right to conduct gaming under this Compact shall be terminated if any of the following events occur:

(A) the Tribe conducts gaming at a larger number of facilities than authorized by Section 2(B)(1); or

(B) the Tribe conducts gaming on lands other than Eligible Indian Lands as defined in Section 2(B)(1).

Termination of tribal gaming under this Section shall be effective as of the date on which the state learns or receives notice of any tribal action identified in this Section including notice from any person or entity (including any unit of government) which is given to the addresses identified at Section 13 of this Compact.

Section 16(A) is amended to read as follows:

(A) The Tribe or the State may propose amendments to the Compact as follows:

- (i) The Tribe shall propose amendments pursuant to the notice provisions of this Compact by submitting the proposed amendments to the Governor who shall act for the State in accepting or rejecting any such proposed amendment.
- (ii) The State, acting through the Governor, shall propose amendments pursuant to the notice provisions of the Compact by submitting the proposed amendments to the Tribe which shall accept or reject any such proposed amendment in a manner consistent with its Constitution and laws.
- (iii) Notwithstanding the foregoing, no amendment to the definition of Eligible Indian Lands under section 2(B)(1) shall become effective unless approved by resolution of both houses of the Michigan Legislature

Section 17 is amended to read as follows:

Section 17. Economic Incentive Payments to State

(A) The State and the Tribe have determined that it is in their mutual best interests to maximize the economic benefits of Class III gaming for the Tribe and to work cooperatively toward that end. The Tribe has further determined that it is in the best interests of the Tribe to provide the State with an economic incentive intended to encourage the State to promote economic policies and activities that are beneficial to the Tribe's Class III gaming business and to discourage the State from authorizing adverse competition or other economic policies or activities that are harmful to the Tribe's Class III gaming business.

(B) In consideration of the agreements contained in the Stipulation Settling Lawsuit and Distributing Funds Held in Escrow entered into by the parties on January 24, 2008 in *Little River Band of Ottawa Indians et al v State of Michigan et al*, 6th Cir. No 07-1913 (W.D. Mich. No. 5:05CV0095) and in furtherance of the determinations described in subsection (A) of this section, the Tribe agrees that it shall make an annual payment of 6% of the Net Win at its Manistee County Class III gaming facility to the Michigan Strategic Fund, or its successor as determined by State law, subject to the following conditions:

(1) Prior to making any payment under this subsection, the Tribe shall calculate the average annual Net Win for the three fiscal periods immediately preceding the fiscal period for which payment is due. If the Net Win for the period for which payment is due (the "Payment Period") is equal to or greater than the average annual Net Win for the three fiscal periods that preceded the Payment Period, the Tribe shall make payment in full at the rate specified by this section. However, if the Net Win for the Payment Period is less than the average annual Net Win for the three fiscal periods that preceded it, the Tribe may reduce its payment as follows:

The Tribe shall subtract the Net Win for the Payment Period from the average annual Net Win for the three fiscal periods that preceded the Payment Period to determine the difference, shall calculate the ratio of that difference to the average annual Net Win for the three fiscal periods that preceded the Payment Period to determine the percentage of that reduction, and may reduce the payment otherwise due by twice that percentage.

By way of example, if the annual average Net Win for the three fiscal periods that preceded the Payment Period is \$100 million and the Net Win for the current Payment Period falls to \$90 million, the difference would be \$10 million, the percentage difference would be 10%, and the Tribe would therefore be entitled to reduce the payment otherwise due by twice that rate or 20%.

(2) If the State authorizes or consents to the opening of a new Commercial Gaming Facility within the Tribe's Competitive Market Area by any person or entity, or fails to take action to challenge or prohibit the opening of a new Commercial Gaming Facility in violation of state law within the Tribe's Competitive Market Area by any person or entity, the Tribe's payment obligation for the Manistee County Class III gaming facility shall be suspended for the fiscal period in which such new facility opens to the public and shall remain suspended indefinitely thereafter until the first fiscal period during which the Tribe's Net Win equals or exceeds 110% of the Net Win for the fiscal period immediately preceding the period in which the payment was suspended at which time the Tribe's payment obligation will be reinstated at the rate of 4% of Net Win and shall continue at that rate for the remaining term of the Compact. This subsection may be invoked by the Tribe only once during the term of this Compact but payments at the reduced 4% rate continue to be subject to the provisions of section 17(B)(2).

(C) In the event that the Tribe commences operation of a Class III Gaming Facility in Muskegon County, the Tribe shall make a payment to the Michigan School Aid Fund based on the Net Win at that facility calculated on the following graduated scale: 8% of the annual Net Win of up to \$150 million; 10% of any portion of Net Win over \$150 million but less than \$300 million; and 12% of any portion of Net Win of \$300 million or more. Commencing with the fourth full fiscal year that the Muskegon County facility is open, the annual payment shall be subject to adjustment based upon the three year running average method described in paragraph (B)(1) above.

(D) Payments under section 17(B) and (C) shall be based on a twelve month fiscal period beginning on October 1 and ending on September 30. Any payment due and owing for that fiscal period shall be made within 30 days of the end of that fiscal period.

(E) As used in this subsection:

(1) "Net Win" means the total amount wagered on each electronic game of chance, minus the total amount paid to players for winning wagers at such machines.

(2) "Commercial Gaming Facility" means a facility operated by any person or entity including the State that contains 85 or more electronic wagering devices that are electronic games of chance as defined in Section 3(A)(5) of this Compact or other similar electronic devices designed and intended to closely simulate an electronic game of chance, regardless of how a device is categorized under IGRA or whether the device operates independently or through any type of common server, including video lottery terminals, stand alone keno devices, and other similar devices. "Commercial Gaming Facility" shall also include multiple facilities that are adjoining or located in close walking distance to each other if they participate in a coordinated marketing arrangement that represents them collectively as a single gaming district or destination. "Commercial Gaming Facility" does not include:

(a) charitable gaming conducted under the provisions of the Traxler-McCauley-Law-Bowman Bingo Act, MCL 432.101 et seq, or

(b) a Class III gaming facility operated by a federally-recognized or acknowledged Indian Tribe (other than the Little River Band of Ottawa Indians) unless:

(i) the facility is operated by such tribe pursuant to IGRA with the approval of the state under a compact or compact amendment with the State; and

(ii) the compact or amendment permits that tribe to conduct gaming simultaneously in more than one location; and

(iii) the facility is such tribe's second or subsequent simultaneous location; and

(iv) the facility is located within the "Competitive Market Area" defined by subsection (3) below; and

(v) The Little River Band of Ottawa Indians have not consented in writing to the opening of that tribe's second or subsequent site within its "Competitive Market."

(3) "Competitive Market Area" means the counties of Manistee, Wexford, Mason, Lake, Oceana, Newaygo, Muskegon, Ottawa, and Kent.

Section 18(A)(iii)-(vi) are amended to read as follows:

(iii) Each unit of government in the immediate vicinity of the Tribe's Class III gaming facility shall first receive an amount equal to any specific actual increased costs incurred by that unit of government as a result of the development or operation of the Tribe's Class III gaming facility, including payment for road improvements, police, fire, and other public safety services.

(iv) Of any amounts remaining, a maximum of eighty percent (80%) shall be available for distribution to each unit of local government that would have received ad valorem taxes if the Tribe's Class III gaming facility were subject to ad valorem property taxes. Any such unit of government shall receive from these funds the proportionate equivalent to the amount of ad valorem property taxes that the unit of government would have received had these lands been subject to ad valorem property taxes.

(v) The balance of such funds remaining after the disbursements described in subparagraphs (iii) and (iv) shall be allocated and disbursed by the Board to eligible local units of government (including, if determined by the Board, the Intermediate School district and the school district in which the Class III gaming facility is located), to be used by those units of government for any lawful local government purpose.

(vi) For purposes of determining the payments under this subsection:

- a. "Net Win" means the total amount wagered on each electronic game of chance, minus the total amount paid to players for winning wagers at such machines.
- b. The taxable value of the Tribe's Class III gaming facility, including any structures or other appurtenant improvements, shall be determined in the same manner and by the same standards used for determining the taxable value of ordinary real estate under Michigan law; if the Local Revenue Sharing Board is unable to reach a unanimous decision as to the appropriate valuation of the land, this determination shall be made by an independent auditor, who shall be retained and paid by the Local Revenue Sharing Board.
- c. The term "local unit of government" means a political subdivision of the state of Michigan and includes a school district, community college district, intermediate school district, city, village, township, county, or any similar governmental entity created under state authority that has as its primary purpose the providing of local governmental services for residents in a geographically limited area of this state; the term local unit of government does not include a private non-profit organization.

Section 18(B) is added and inserted to read as follows:

(B) In the event that the Tribe commences operation of a Class III gaming facility in Muskegon County, the local revenue sharing obligation described in Section 18(A) above is modified as follows:

(1) The Tribe shall continue to make semi-annual payments to the Treasurer of Manistee County in the aggregate amount equal to two percent (2%) of the net win at the Tribe's Manistee County Class III gaming facility for disbursement by the Manistee County Treasurer in the manner and subject to all of the conditions specified in Section 18(A).

(2) The Tribe shall, in addition, make separate semi-annual payments in the aggregate amount of two percent (2%) of the net win at the Tribe's Muskegon Class III gaming facility to the Muskegon County Treasurer for disbursement in the same manner and subject to all of the conditions specified in Section 18(A) except that the Local Revenue Sharing Board shall be created by inter-local agreement under the provisions of the Urban Cooperation Act of 1967, as amended, MCL 124.501 et seq, and shall be composed of the following members:

- (a) One (1) representative from Muskegon County;
- (b) One (1) representative from the city, village, or township in which the Class III gaming facility is located;
- (c) One (1) representative from each city, village, or township, if any, that is contiguous to the Class III gaming facility;
- (d) One (1) representative from the City of Muskegon;
- (e) One (1) representative selected by and from among all of the remaining local units of government that are impacted by the Class III gaming facility and that choose to participate in the inter-local agreement;
- (f) One (1) representative from the Little River Band of Ottawa Indians;

Effective Date. These amendments shall take effect upon completion of all of the following:

- (A) Execution by the Ogema of the Little River Band of Ottawa Indians.
- (B) Execution by the Governor of the State of Michigan.

- (C) Submission of these amendments to the United States Secretary of the Interior for approval pursuant to the provisions of the Indian Gaming Regulatory Act, 25 U.S.C. §§ 2701 *et seq.*

Publication of the approval of the Secretary of the Interior in the Federal

- (D) Register.

IN WITNESS WHEREOF, the Tribal Ogema acting for the Little River Band of Ottawa Indians and the Governor acting for the State of Michigan have signified their approval by their respective signatures.

By:


Larry Romanelli, Ogema

Dated:

3-12-10

By:


Jennifer M. Granholm, Governor

Dated:

3/19/10

**THIRD AMENDMENT TO
A COMPACT BETWEEN
THE LITTLE RIVER BAND OF OTTAWA INDIANS AND
THE STATE OF MICHIGAN
PROVIDING FOR THE CONDUCT OF TRIBAL CLASS III GAMING
BY THE LITTLE RIVER BAND OF OTTAWA INDIANS**

The Compact made and entered on the 3d day of December, 1998 by and between the LITTLE RIVER BAND OF OTTAWA INDIANS (hereinafter referred to as "Tribe") and the STATE OF MICHIGAN (hereinafter referred to as "State") approved by the Secretary of the Interior by publication in the Federal Register on February 18, 1999 at 64 Fed. Reg. 8111, and subsequently altered by a first amendment approved by the Secretary of the Interior by publication in the Federal Register on April 21, 2008 at 73 Fed. Reg. 21362, and by a second amendment dated _____ and submitted for approval by the Secretary of the Interior on _____, is hereby further amended in accordance with Section 16 of the Compact. All provisions of the Compact not explicitly added or amended herein shall remain in full force and effect.

Section 2(B)(1) is amended to read as follows:

(1) "Eligible Indian Lands" means trust and reservation lands acquired in trust by the United States Secretary of the Interior for the benefit of the Tribe pursuant to applicable federal law within Manistee and Muskegon Counties, Michigan. A total of two (2) tribal Class III gaming facilities may be located on Eligible Indian lands provided, however, that if any tribe which attains federal recognition subsequent to the date of this Compact is granted the right, under a valid Compact with the State of Michigan, to operate more than two (2) Class III gaming facilities on its Indian Lands, the Tribe shall be afforded the same right subject to the same terms and conditions imposed on such newly recognized tribe.

Effective Date. This amendment shall take effect upon completion of all of the following:

- (A) Execution by the Ogema of the Little River Band of Ottawa Indians.
- (B) Execution by the Governor of the State of Michigan and approval by resolution by both houses of the Michigan Legislature.
- (C) Submission of these amendments to the United States Secretary of the Interior for approval pursuant to the provisions of the Indian Gaming Regulatory Act, 25 U.S.C. §§ 2701 *et seq.*
Publication of the approval of the Secretary of the Interior in the Federal
- (D) Register.

IN WITNESS WHEREOF, the Tribal Ogema acting for the Little River Band of Ottawa Indians and the Governor acting for the State of Michigan have signified their approval by their respective signatures.

By: Larry Romanelli
Larry Romanelli, Ogema

Dated: 3.18.10

By: Jennifer M. Granholm
Jennifer M. Granholm, Governor

Dated: 3/19/10



Little River Band of Ottawa Indians

375 River Street
Manistee, MI 49660

Resolution #10-0310-80

*Ratifying Third Amendment, Initial Date of March 9, 2010, to the
Compact between the Little River Band of Ottawa Indians
And the State of Michigan*

WHEREAS, the status of the *Gaá Čhíng Ziibi Daáwaa Aníshinaábek* (Little River Band of Ottawa Indians) as a sovereign and Treaty-making power is confirmed in numerous treaties, from agreements with the initial colonial powers on this land, to various treaties with the United States; and

WHEREAS, the Little River Band of Ottawa Indians (Tribe) is descended from, and is the political successor to, the Grand River Ottawa Bands, signatories of the 1836 Treaty of Washington (7 Stat. 491) with the United States, as reaffirmed by federal law in P.L. 103-324, enacted in 1994; and

WHEREAS, the Tribe adopted a new Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribe adopted amendments to the Constitution on April 26, 2004, which became effective upon approval by the Assistant Secretary-Indian Affairs on May 13, 2004; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Little River Band of Ottawa Indians have previously entered into a Compact with the State of Michigan for the class III gaming facility located in Manistee, MI on the Band's reservation area, dated February 1999; and

WHEREAS, the Little River Band of Ottawa Indians and the State of Michigan have previously adopted the First Amendment to the Compact, dated April 2008; and

WHEREAS, the Tribal Council has authorized a Second Amendment to the Compact by adoption of Resolution #10-0310-79, and supports finalizing the Compact in a manner that provides the Band the greatest opportunity for success in expanding its class III gaming industry; and

WHEREAS, the Little River Band of Ottawa Indians has a primary interest in providing for the welfare of its citizens, including providing opportunities for employment and economic development and have identified that expanding gaming industry operated by the Band is the best mechanism to provide government revenue and employment to the citizens; and

WHEREAS, the current Compact Agreement with the State of Michigan limits the Little River Band of Ottawa Indians to one class III gaming operation; provided that the State of Michigan may renegotiate terms favorable to both the Band and State that provide for greater opportunity and economic growth; and

WHEREAS, the Little River Band of Ottawa Indians and the State of Michigan have successfully negotiated a Second Amendment to the Compact; and

WHEREAS, the Little River Band of Ottawa Indians finds that it is in the best interest of the Band and its citizens to renegotiate Compact terms with the State of Michigan that will allow expanded gaming industry and economic growth for the Band as well as citizens of the State of Michigan; and

WHEREAS, the Tribal Council and Ogema have previously authorized the Band to purchase land in Muskegon County, to pursue a second site of class III gaming facility on behalf of the Little River Band of Ottawa Indians; and

WHEREAS, the Ogema has concluded negotiations with the Honorable Jennifer Granholm, resulting in proposed amendment to the Compact between the Little River Band and the State of Michigan, herein identified as follows:

**THIRD AMENDMENT TO
A COMPACT BETWEEN
THE LITTLE RIVER BAND OF OTTAWA INDIANS AND
THE STATE OF MICHIGAN
PROVIDING FOR THE CONDUCT OF TRIBAL CLASS III GAMING
BY THE LITTLE RIVER BAND OF OTTAWA INDIANS**

The Compact made and entered on the 3rd day of December, 1998 by and between the LITTLE RIVER BAND OF OTTAWA INDIANS (hereinafter referred to as "Tribe") and the STATE OF MICHIGAN (hereinafter referred to as "State") approved by the Secretary of the Interior by publication in the Federal Register on February 18, 1999 at 64 Fed. Reg. 8111, and subsequently altered by a first amendment approved by the Secretary of the Interior by publication in the Federal Register on April 21, 2008 at 73 Fed. Reg. 21362, and by a second amendment dated _____ and submitted for approval by the Secretary of the Interior on _____, is hereby further amended in accordance with Section 16 of the Compact. All provisions of the Compact not explicitly added or amended herein shall remain in full force and effect.

Section 2(B)(1) is amended to read as follows:

- (1) *"Eligible Indian Lands" means trust and reservation lands acquired in trust by the United States Secretary of the Interior for the benefit of the Tribe pursuant to applicable federal law within Manistee and Muskegon Counties, Michigan. A total of two (2) tribal Class III gaming facilities may be located on Eligible Indian lands provided, however, that if any tribe which attains federal recognition subsequent to the date of this Compact is granted the right, under a valid Compact with the State of Michigan, to operate more than two (2) Class III gaming facilities on its Indian Lands, the Tribe shall be afforded the same right subject to the same terms and conditions imposed on such newly recognized tribe.*

Effective Date. This amendment shall take effect upon completion of all of the following:

- (A) *Execution by the Ogema of the Little River Band of Ottawa Indians.*
- (B) *Execution by the Governor of the State of Michigan and approval by resolution by both houses of the Michigan Legislature.*
- (C) *Submission of these amendments to the United States Secretary of the Interior for approval pursuant to the provisions of the Indian Gaming Regulatory Act, 25 U.S.C. §§ 2701 et seq.*
Publication of the approval of the Secretary of the Interior in the Federal Register.
- (D) *Register.*

IN WITNESS WHEREOF, the Tribal Ogema acting for the Little River Band of Ottawa Indians and the Governor acting for the State of Michigan have signified their approval by their respective signatures.

WHEREAS, the Tribal Council has reviewed the language included in the proposed Third Amendment to the Compact, and finds that ratification of the Compact Third Amendment is in the best interest of the Tribe and its members; and

WHEREAS, the Tribal Council has determined that the Third Amendment to the Compact to include a new definition of Eligible Indian Lands may be subject to the first paragraph being revised or modified upon adoption, and consents to date changes in the first paragraph being added following execution.

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band does hereby Ratify the terms of the proposed amendment identified as the Third Amendment, to the Compact with the State of Michigan dated December 3, 1988, which was amended by the First Amendment to the Compact as approved by the Secretary of the Interior dated April 21, 2008; Second Amendment is Ratified and pending approval.

IT IS FURTHER RESOLVED THAT the Tribal Council does hereby authorize the Ogema, Larry Romanelli, to execute the Third Amendment to the Compact, on behalf of the Little River Band of Ottawa Indians.

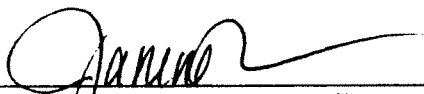
IT IS FURTHER RESOLVED THAT the Tribal Council does hereby reaffirm that all other provisions and terms contained within the Compact not altered by the First, Second or Third Amendments, remain in full force and effect.

IT IS ADDITIONALLY RESOLVED THAT the Tribal Council does hereby reaffirm the waiver of sovereign immunity contained within the Compact, to enforce its terms consistent with the agreement executed.

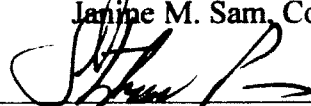
IT IS FINALLY RESOLVED THAT upon execution of this Third Amendment by the Honorable Governor and as ratified by the legislature of the State of Michigan and the Ogema of Little River Band, the Tribal Council hereby authorizes the submission of the Third Amendment for approval by the Secretary of the Interior, consistent with the IGRA, and requests the Secretary to Approve the Amendment.

CERTIFICATE OF ADOPTION

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 8 FOR, 0 AGAINST, 0 ABSTAINING, 0 ABSENT, and 1 VACANT, at a Closed Session of the Little River Band of Ottawa Indians Tribal Council held on March 10, 2010, at the Little River Band's Dome Room in Manistee, Michigan, with a quorum being present for such vote.



Janine M. Sam, Council Recorder



Stephen Parsons, Council Speaker

Attest:

Distribution: Tribal Ogema
Tribal Council